# STATE BOARD OF ACCOUNTS 302 West Washington Street Room E418 INDIANAPOLIS, INDIANA 46204-2769

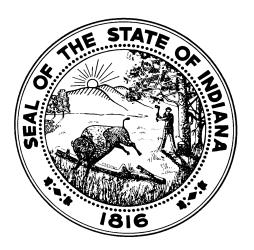
**EXAMINATION REPORT** 

OF

MADISON PORT AUTHORITY

JEFFERSON COUNTY, INDIANA

January 1, 2006 to December 31, 2007





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#### OFFICIALS

Office	<u>Official</u>	<u>Term</u>
Chief Executive Officer	Cathy S. Hale	01-01-06 to 12-31-08
Secretary	Cathy S. Hale	01-01-06 to 12-31-08
Chairman of the Board	Jerry A. Thaden	01-01-06 to 12-31-08
Mayor	Albert G. Huntington Tim Armstrong	01-01-06 to 12-31-07 01-01-08 to 12-31-08



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#### INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE MADISON PORT AUTHORITY, JEFFERSON COUNTY, INDIANA

We have examined the financial information presented herein of the Madison Port Authority (Port Authority), for the period of January 1, 2006 to December 31, 2007. The Port Authority's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the District for the years ended December 31, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information, and accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

November 6, 2008

# MADISON PORT AUTHORITY SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES As Of And For The Years Ended December 31, 2006 And 2007

	Ir	Cash and ovestments 01-01-06	Receipts	visbursements		Cash and Investments 12-31-06
Governmental Fund: General Fiduciary Fund:	\$	379,226	\$ 658,875	\$ 489,634	\$	548,467
Payroll	-	<u>-</u>	 266,516	 260,181	_	6,335
Totals	\$	379,226	\$ 925,391	\$ 749,815	\$	554,802
	Ir	Cash and nvestments 01-01-07	Receipts	 visbursements		Cash and Investments 12-31-07
Governmental Fund: General Fiduciary Fund:	\$	548,467	\$ 1,012,157	\$ 740,497	\$	820,127
Payroll		6,335	 271,757	 272,516	_	5,576
Totals	\$	554,802	\$ 1,283,914	\$ 1,013,013	\$	825,703

The accompanying notes are an integral part of the financial information.

### MADISON PORT AUTHORITY NOTES TO FINANCIAL INFORMATION

#### Note 1. Introduction

The Port Authority was established under the laws of the State of Indiana. The Port Authority provides rail service between the City of Madison and the City of North Vernon, including maintenance of the railroad line.

#### Note 2. Fund Accounting

The Port Authority uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

#### Note 3. Budgets

The operating budget is initially prepared and approved at the local level.

#### Note 4. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the District to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

#### Note 5. Pension Plan

#### Defined Contribution Pension Plan

#### Plan Description

The Port Authority has a defined contribution pension plan. As authorized by Indiana Code 8-10-5-6.5 the Madison Port Authority is the plan administrator. The plan provides retirement, disability, and death benefits to the plan members and beneficiaries. Information about the plan may be obtained from the Madison Port Authority's representative:

Cathy S. Hale City of Madison Port Authority 1121 West JPG Woodfill Road Madison, IN 47250 Phone (812) 273-4248

#### **Funding Policy**

The contribution requirements of the plan members are established by the plan. The Madison Port Authority contributes at a rate of 5.5% of the annual payroll.

#### MADISON PORT AUTHORITY SUPPLEMENTARY INFORMATION SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2007

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

General infrastructure assets (those reported by governmental activities) are included regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are

Primary Government		Ending Balance			
Governmental activities: Capital assets, not being depreciated:					
Right Of Way/Easements & JPG	\$	398,627			
Buildings		67,725			
Improvements other than buildings		166,788			
Transportation equipment		482,019			
Maintenance equipment		130,372			
Total governmental activities, capital assets not being depreciated	\$	1,245,531			
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## MADISON PORT AUTHORITY EXIT CONFERENCE

The contents of this report were discussed on November 6, 2008, with Cathy S. Hale, Chief Executive Officer; Casey L. Goode, Administrative Manager; and Jerry A. Thaden, Chairman of the Board. Our examination disclosed no material items that warrant comment at this time.